CalPERS

Total Fund Monthly Update



Section I: Asset Allocation and Risk

Asset Allocation and Unfunded Commitments

Top 20 Exposures: Public Markets

Total Fund Risk Profile

Section II: Investment Performance

Net Performance Summary

Net Performance vs. Expected Returns

Section III: Investment Policy and Compliance

Policy Violations

Significant Events

Disclosure of Closed Session Action Items

Spring-Fed Pool Contract Status Quarterly Report

Section IV: Investment Transactions

Items Completed Under Delegated Authority Summary

Disclosure of Placement Agent Fees

Investment Transactions Summary

Investment Proposal Activity Summary

Section V: Affiliate and Other Funds

Asset Allocation

Risk Profile

Net Performance Summary

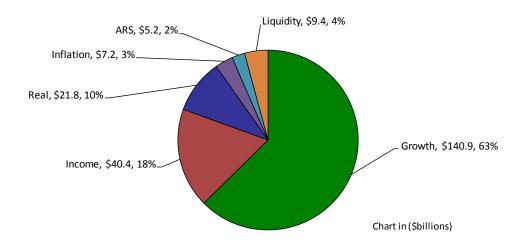
Policy Violations and Significant Events

Investment Transactions Summary





Asset Allocation and Unfunded Commitments (as of December 31, 2011)



	Asset Allocation as of December 31, 2011												
	Growth	Public	Private	Income	Liquidity	Real	Real	Forestland/	Inflation	ARS	Total		
		Equity ¹	Equity ¹				Estate	Infrastructure			Fund		
Strategic Target Range %	56-70%	42-56%	10-18%	11-21%	1-7%	8-18%	7-13%	1-5%	1-7%				
Interim Strategic Target %	64%	50%	14%	19%	4%	10%	8%	2%	3%	N/A	N/A		
Actual Investment %	63%	48%	14%	18%	4%	10%	8%	1%	3%	2%	N/A		
Variance % (Strategic vs. Actual)	(1%)	(2%)	0%	(1%)	0%	(0%)	0%	(1%)	0%	N/A	N/A		
Interim Strategic Target (\$billions)	\$144.0	\$112.5	\$31.5	\$42.7	\$9.0	\$22.5	\$18.0	\$4.5	\$6.7	N/A	\$225.0		
Actual Investment (\$billions)	\$140.9	\$108.7	\$32.1	\$40.4	\$9.4	\$21.8	\$18.8	\$3.0	\$7.2	\$5.2	\$225.0		
Variance \$(Interim Strategic vs. Actual) (\$billions)	(\$3.1)	(\$3.8)	\$0.6	(\$2.4)	\$0.4	(\$0.7)	\$0.8	(\$1.5)	\$0.5	N/A	N/A		
% Passive	54%	70%	0%	0%	0%	5%	6%	0%	0%	0%	34%		
% Active	46%	30%	100%	100%	100%	95%	94%	100%	100%	100%	66%		
% Internal	64%	83%	0%	89%	100%	6%	7%	0%	100%	0%	64%		
% External	36%	17%	100%	11%	0%	94%	93%	100%	0%	100%	36%		

¹ Equity overlay and lending income are included in International Equity, undistributed lending income is included in Global Equity, currency overlay funds are included in Liquidity and the Global Equity Cash Account is included in Domestic Equity and Domestic Fixed Income Transition Account is included in Domestic Fixed Income.

² Interim strategic targets adopted by Board at the August 17th, 2011 Investment Committee meeting

	Unfunded Market Commitments as of December 31, 2011												
Private Equity Real Estate Infrastructure Forestland Corporate Gover									Governance				
			(as of Octo	(as of October 31, 2011)		nber 30, 2011)	(as of Novem	nber 30, 2011)) (as of November 30, 20				
Funded	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation			
Fair Market Value (FMV)	\$32.1	14%	\$18.8	8%	\$.8	0%	\$2.4	1%	\$4.0	2%			
Unfunded Commitment (UC)	<u>\$12.5</u>	<u>6%</u>	<u>\$6.8</u>	<u>3%</u>	<u>\$.3</u>	<u>0%</u>	<u>\$.0</u>	<u>0%</u>	<u>\$.4</u>	<u>0%</u>			
FMV + UC	\$44.6	20%	\$25.6	11%	\$1.1	0%	\$2.4	1%	\$4.4	2%			

Top 20 Exposures: Public Markets (as of December 31, 2011)

			Total Global Fixed		
	Company Name	Total Global Equity ²	Income ³	Market Value	% of Total Fund
1	EXXON MOBIL CORP	\$1244.1	\$0.0	\$1244.1	0.55%
2	APPLE INC	\$1077.4	\$0.0	\$1077.4	0.48%
3	GENERAL ELECTRIC CO	\$575.3	\$276.9	\$852.2	0.38%
4	AT&T INC	\$581.9	\$168.5	\$750.4	0.33%
5	NESTLE SA REG	\$657.2	\$0.0	\$657.2	0.29%
6	CHEVRON CORP	\$655.8	\$0.0	\$655.8	0.29%
7	MICROSOFT CORP	\$645.9	\$0.0	\$645.9	0.29%
8	INTL BUSINESS MACHINES CORP	\$637.3	\$0.0	\$637.3	0.28%
9	WELLS FARGO & CO	\$459.1	\$146.7	\$605.8	0.27%
10	PFIZER INC	\$526.6	\$73.0	\$599.6	0.27%
11	JPMORGAN CHASE & CO	\$400.5	\$167.2	\$567.7	0.25%
12	WAL MART STORES INC	\$449.4	\$98.4	\$547.8	0.24%
13	PROCTER & GAMBLE CO	\$546.0	\$0.0	\$546.0	0.24%
14	VODAFONE GROUP PLC	\$462.3	\$63.4	\$544.7	0.24%
15	HSBC HOLDINGS PLC	\$397.5	\$135.5	\$533.0	0.24%
16	JOHNSON & JOHNSON	\$525.3	\$0.0	\$525.3	0.23%
17	BP PLC	\$483.5	\$0.0	\$483.5	0.21%
18	VERIZON COMMUNICATIONS INC	\$367.4	\$96.3	\$463.8	0.21%
19	COCA COLA CO	\$463.0	\$0.0	\$463.0	0.21%
20	GOOGLE INC	\$446.6	\$0.0	\$446.6	0.20%

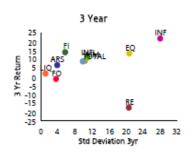
¹ Only includes Global Equity & Fixed Income assets custodied with master custodian

² Source for Global Equity values: State Street Bank

³ Source for Global Fixed Income values: Blackrock Solutions

Total Fund Risk Profile (as of December 31, 2011)

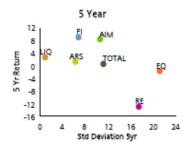
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-2.20	3.56	-0.62
PUBLIC EQUITY	-0.31	0.97	-0.32
INCOME	3.80	2.97	1.28
PRIVATE EQUITY	-0.74	15.77	-0.05
REAL ESTATE	-20.12	16.30	-1.23
LIQUIDITY	-0.20	0.26	-0.78
INFLATION	1.75	3.39	0.52
ABSOLUTE RETURN STRATEGY	0.48	3.91	0.12
FORESTLAND	-8.00	3.70	-2.17
INFRASTRUCTURE	14.25	28.25	0.50

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-2.21	3.04	-0.73
PUBLIC EQUITY	-0.85	1.06	-0.80
INCOME	0.35	3.28	0.11
PRIVATE EQUITY	-1.09	13.49	-0.08
REAL ESTATE	-18.19	14.09	-1.29
LIQUIDITY	-0.09	0.20	-0.44
INFLATION			
ABSOLUTE RETURN STRATEGY	-6.57	6.78	-0.97
FORESTLAND			
INFRASTRUCTURE			

Excess Return - The difference between the portfolio return and the index return for the given period

Tracking Error - Standard deviation of the Excess Return

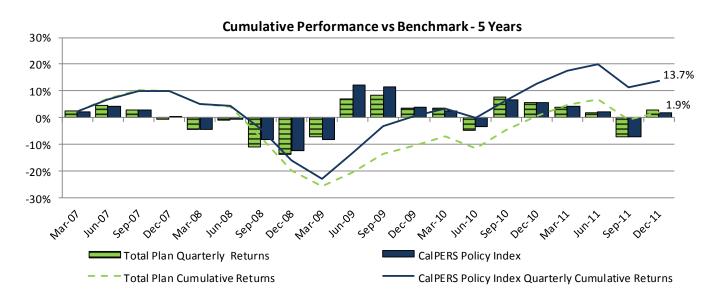
Information Ratio - Excess Return divided by the Tracking Error

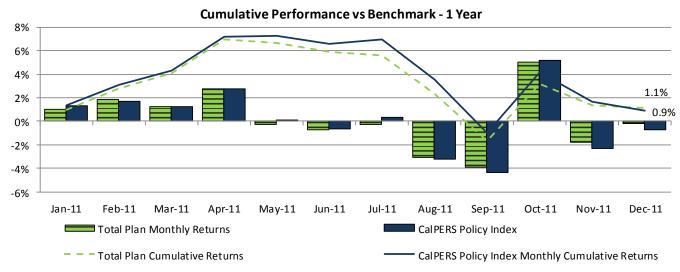
The information ratio is used to measure risk adjusted returns; industry practice suggests that below 0.15 is considered low, between 0.15 and 0.25 is medium, and above 0.35 is high.





Net Performance Summary (as of December 31, 2011)





Net Performance Summary (as of December 31, 2011)

			1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10) Yr
TOTAL FUND SUMMARY	Ending Market Value (\$millions)	% of Total Assets	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Rate of	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps
GROWTH PUBLIC EQUITY PRIVATE EQUITY	140,542 108,407 32,135	62.5 48.2 14.3	(0.9) (0.5) (2.3)	133 (10) 653	(10.1) (12.3) (2.2)	261 (11) 1,345	(3.7) (8.0) 12.4	215 11 1,099	11.6 12.9 8.7	(42) (31) (74)	(0.5) (1.9) 8.2	(105) (86) (110)	4.7 4.0 8.9	(25) (36) 185
INCOME	40,351	17.9	1.8	(5)	8.3	(155)	12.4	(153)	13.6	380	8.9	35	8.1	46
LIQUIDITY	9,217	4.1	0.5	(9)	3.8	(39)	3.6	(68)	1.5	(20)	2.5	(9)	2.6	9
REAL REAL ESTATE FORESTLAND INFRASTRUCTURE	21,831 18,828 2,293 710	9.7 8.4 1.0 0.3	(4.4)	(282) (293) (403) (63)	2.6 3.4 (4.1) 3.2	(272) (292) (437) 105	9.9 11.3 (7.3) 47.5	(430) (447) (1,344) 3,949	(15.8) (17.8) (1.6) 21.3	(2,013) (801)	(11.5) (13.2)		2.6 1.6	(- /
INFLATION COMMODITIES INFLATION LINKED BONDS	7,242 3,365 3,878	3.2 1.5 1.7	` ,	(74) (7) (20)	1.8 (4.4) 5.2	32 (58) 64	8.4 (0.6) 12.8	101 58 114	10.6 7.6 9.9					
ABSOLUTE RETURN STRATEGY	5,238	2.3	(0.4)	(86)	(2.6)	(263)	(2.3)	(789)	6.2	48	1.1	(657)		
OVERLAY & TRANSITION ACCOUNTS	553	0.2												
TOTAL FUND	224,975	100.0	(0.2)	54	(4.5)	84	1.1	20	8.3	(221)	0.4	(220)	5.1	(83)

Total Fund Inception to Date Net Return: 8.27%.

Inception date: 07/01/1988

Note: Returns for periods greater than one year are annualized.

Net Performance vs. Long-Term Expected Returns (one year period ending December 31, 2011)

Asset Class	Actual <u>Allocation</u> (%)	One-year Net <u>Asset Return</u> (%)	CalPERS Long-Term <u>Expected Annual Return</u> ^{1, 2} (%)	Expected <u>Standard Deviation¹</u> (%)	+/- One Standard <u>Deviation Range ³</u> (%)
Public Equity	48	(8.0)	7.75	16.00	(7.07) - 24.93
Private Equity	<u>14</u>	12.4	9.00	26.00	(13.94) - 38.06
Total Growth	63	(3.7)			
Income	18	12.4	3.75	6.50	(2.55) - 10.45
Real Estate	10	11.3	7.00	14.00	(6.09) - 21.91
Forestland	1	(7.3)	7.00	10.00	(2.53) - 17.47
Infrastructure	<u>0</u>	47.5	7.00	10.00	(2.53) - 17.47
Total Real	10	9.9			
Inflation Linked Bonds	2	(0.6)	3.50	6.00	(2.33) - 9.67
Commodities	<u>1</u>	12.8	5.00	21.00	(13.92) - 28.08
Total Inflation	3	8.4			
Absolute Return Strategy (ARS) ¹	2	(2.3)			
Liquidity	4	3.6	3.25	6.20	(2.76) - 9.64
Total Fund	100	1.1	7.38	11.92	(3.88) - 19.93

¹ Investment Committee Meeting December 2010 excluding ARS which was not forecasted. These are the capital markets assumptions used in the 2010 Strategic Asset Allocation Study.

² Compound return

³ Standard Deviation is a measure of variability of returns around the expected average return. Returns are expected to be within minus one and plus one standard deviation 67% of the time, or two out of every three years.

Note: The Global Equity Transition Account is included in Domestic Equity, the Fixed Income Transition Account is included in Domestic Fixed Income, and the currency overlay funds are included in Liquidity for Asset Allocation purposes.



Section III
Investment Policy and Compliance



Significant Events

Material Exceptions to Policy

According to policy requirements, the following is a summary of investment policy violations as reported by the program areas.

The following program areas had no violations to report for the period:

- Public Equity
- Private Equity
- Real Estate
- Forestland
- Infrastructure Per the new Infrastructure Policy effective as of August 15, 2011, as stated in Section V.F.2, the requirement to meet various policy parameters will be applicable for the Infrastructure Program only when the NAV exceeds \$3 billion.
- o Income
- Liquidity
- Absolute Return Strategies

Significant Events

Significant Events

The following program areas had no significant events to report for the period:

- o Public Equity
- Private Equity
- Real Estate
- Income
- Liquidity
- Forestland
- Inflation
- o Absolute Return Strategies

The following program area had significant events to report for the period:

Infrastructure

• A recent commitment to acquire 75% Class C interests in Neptune Regional Transmission System, LC is pending and subject to final closing conditions.

Disclosure of Closed Session Action Items

Investment Committee Meeting	Agenda Item	Investment Committee Action	Vote
No Items to Report			

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q2	AIM	AIM Spring-Fed Pool	Capital Dynamics (Contract #2011-6084)	10/06/11	11/21/11	Consulting Services - Due Diligence Assistance	\$40,000	Best value (determined through bid request proposals)
Q2				10/06/11	11/21/11	Consulting Services - Due Diligence Assistance	\$40,000	Best value (determined through bid request proposals)
						Subtotal	\$80,000	
Q2	AIM	AIM Spring-Fed Pool	Duff & Phelps (Contract #2011-6090)	10/17/11	11/30/11	Consulting Services - Due Diligence Assistance	\$35,000	Best value (determined through bid request proposals)
Q2				12/05/11	02/05/12	Valuation Assistance	\$25,000	Best value (determined through bid request proposals)
						Subtotal	\$60,000	
Q2	AIM	AIM Spring-Fed Pool	FTI Consulting (Contract #2011-6094)	10/04/11	11/05/11	Consulting Services - AIM Fund Analysis	\$220,000	Best value (determined through bid request proposals)
						Subtotal	\$220,000	
Q2	AIM	AIM Spring-Fed Pool	Hamilton Lane (Contract #2011-6082)	07/01/11	06/30/12	Investment Analysis	\$900,000	Best value (determined through bid request proposals)
						Subtotal	\$900,000	
Q2	AIM	AIM Spring-Fed Pool	Houlihan Lokey (Contract #2011-6088)	10/31/11	12/15/11	Due Diligence Assistance	\$123,500	Best value (determined through bid request proposals)
						Subtotal	\$123,500	
Q1	PBSD	AIM Spring-Fed Pool	LP Capital (Contract #2011-6083)	07/01/11	03/31/12	Investment Proposal Tracking System Business Process Support	\$125,000	Specialized expertise: experience with INVO & portal
Q1	AIM			07/01/11	08/31/11	Due Diligence Assistance	\$25,000	Project work was started under prior contract
Q1				07/01/11	09/30/11	Portfolio Assistance	\$1,500,000	Specialized expertise
						Subtotal	\$1,650,000	
			Total AIM Commi	tted Amount			\$3,033,500	
Q2	GE	Executive Search Spring-Fed Pool	Heidrick & Struggles (Contract #2009-5360)	10/19/11	Upon completion	Global Equity/Senior Portfolio Manager	\$100,000	Best value (determined through bid request proposals)
Q2	OPTD			10/14/01	Upon completion	OPTD/Two Portfolio Managers-Investment Technology&Performance Analytics (Subbed to Jay Gaines)	\$181,500	Only qualified candidate willing to facilitate this engagement
						Subtotal	\$281,500	
Q1	AIM	Executive Search Spring-Fed Pool	Ridgeway Partners LLC (Contract #2009-5358)	07/06/11	Upon completion	AIM/Two Senior Portfolio Manager Positions	\$235,000	Existing knowledge of the investment or organization
Q2				07/06/11	Upon completion	AIM/Two Senior Portfolio Manager Positions and One Portfolio Manager Position (Amendment to Increase LOE from Q1 FY 11-12)	\$75,000	Existing knowledge of the investment or organization
						Subtotal	\$310,000	
		To	otal Investment Executive Se	arch Committe	d Amount		\$591,500	

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	ILAC	General Pension Consultant Spring-Fed Pool	Arup North America (Contract # 2010-5636)	09/21/11	11/30/11	Technical Advisory Consulting Services	\$98,600	Specialized Expertise - Established Expertise in Energy Sector
Q2				09/21/11	11/30/11	Prudent Person Consulting Services	\$66,650	Only contractor that responded to bid request
						Subtotal	\$165,250	
Q2	INVO	General Pension Consultant Spring-Fed Pool	Beacon Consulting Group (Contract # 2010-5635)	10/06/11	12/15/11	Business Process Analysis	\$195,000	Best value (determined through bid request proposals)
						Subtotal	\$195,000	
Q1	Real Estate	General Pension Consultant Spring-Fed Pool	Callan Associates, Inc. (Contract #2009-5108)	07/11/11	02/01/12	Consulting Services - Support Staff on RFP (Subbed to Nelson & Bernstein)	\$38,500	Specialized expertise - Subject matter expert in insurance
						Subtotal	\$38,500	
Q1	INVO	General Pension Consultant Spring-Fed Pool	Pension Consulting Alliance, Inc. (Contract # 2009-5105)	07/01/11	06/30/12	Back-up to the Primary Pension Consultant	\$150,000	Consultant selected by Board
Q1	Real Estate			09/01/11	03/31/12	Primary Real Estate Consulting Services	\$665,000	Consultant selected by Board
			,			Subtotal	\$815,000	
Q1	INVO	General Pension Consultant Spring-Fed Pool	Robert H. Schaffer & Associates, LLC (Contract # 2010-5633)	09/01/10	06/30/12	Strategic Consulting Services Rapid Results Projects (Amendment to Increase LOE from Q1 FY 10-11)	\$100,000	Organizational and structural analysis experience
						Subtotal	\$100,000	
Q2	AIPD	General Pension Consultant Spring-Fed Pool	RV Kuhns & Associates (Contract # 2009-5112)	12/07/11	04/30/12	Strategic Review of the Supplemental Income Plans	\$150,000	Specialized expertise - Subject matter expert in Supplemental Income Plans
						Subtotal	\$150,000	
			Total General Pension C	ommitted Amo	unt		\$1,463,750	

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	GE	Global Equity General Consultant Spring-Fed Pool	Garland Associates, Inc. (Contract # 2010-5960)	08/05/11	10/31/11	Proxy Solicitation Services for Smithfield Foods Inc. (SFD)	\$33,500	Only vendor in pool with knowledge and experience to meet objectives of project
						Subtotal	\$33,500	
Q2	ARS	Global Equity General Consultant Spring-Fed Pool	IFS International Fund Services (N.A.), LLC (Contract # 2010-5963)	06/01/11	03/31/12	Absolute Return Strategies (ARS) Fund Administration	\$1,900,000	Only vendor in pool with knowledge and experience to meet objectives of project
						Subtotal	\$1,900,000	
Q1	GE	Global Equity General Consultant Spring-Fed Pool	Mosaic Investment Advisors Inc (Contract # 2010-5945)	05/01/11	09/30/12	Global Equity Brokerage Services	\$535,000	Only vendor in pool with knowledge and experience to meet objectives of project
Q1				05/01/11	06/30/12	Risk Managed Absolute Return Strategies Services	\$105,000	Only vendor in pool with knowledge and experience to meet objectives of project
						Subtotal	\$640,000	
Q2	ARS	Global Equity General Consultant Spring-Fed Pool	Pacific Alternative Asset Management Company (Contract # 2010-5947)	11/01/11	10/31/12	Absolute Return Strategies (ARS) Fund Administration	\$250,000	Only vendor in pool with knowledge and experience to meet objectives of project
						Subtotal	\$250,000	
Q2	ARS	Global Equity General Consultant Spring-Fed Pool	UBS Alternative and Quantitative Investments, LLC (Contract # 2010-5943)	11/01/11	10/31/12	Absolute Return Strategic Advisory Services	\$11,000,000	Existing project, continued with new contract
						Subtotal	\$11,000,000	
Q2	GE	Global Equity General Consultant Spring-Fed Pool	Wilcox Miller & Nelson (Contract # 2010-5956)	07/01/11	12/01/12	Research Analysis & Board Recruitment Advisory Services	\$205,000	Existing project, continued with new contract
						Subtotal	\$205,000	
			Total Global Equity Co	mmitted Amoui	nt		\$14,028,500	
Q2	Infrastructure & Forestland	ILAC Spring-Fed Pool	Brock Capital Group (Contract # 2008-4931)	09/29/11	11/30/11	Prudent Person Opinion	\$64,000	Experience with CalPERS business process
		Т	otal Infrastructure and Forest	land Committed	d Amount		\$64,000	
Q2	PBSD	Investment Diversity Consulting Services Spring-Fed Pool	RG & Associates (Contract # 2010-6009)	01/01/12	01/31/12	Providing Speaker and Presentation Services	\$3,600	Only vendor willing to perform these services
			Total Diversity Comr	nitted Amount			\$3,600	

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Bard Consulting LLC (Contract # 2010-5565)	07/01/11	06/30/12	Portfolio Monitoring Assistance	\$170,000	Existing knowledge of the investment or organization
Q1				07/01/11	06/30/12	Portfolio Monitoring Assistance	\$145,000	Existing knowledge of the investment or organization
Q1				07/01/11	06/30/12	Portfolio Monitoring Assistance	\$320,000	Existing knowledge of the investment or organization
Q2				10/01/11	12/31/11	Consulting Services - Investment Review	\$115,000	Existing knowledge of the investment or organization
Q2				11/01/11	12/31/11	Consulting Services - Strategy Evaluation	\$5,000	Existing knowledge of the investment or organization
Q2				10/28/11	06/30/12	Consulting Services - Developing Sector Plans - Phase II	\$60,000	Existing knowledge of the investment or organization
						Subtotal	\$815,000	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Callan Associates, Inc. (Contract #2010-5562)	07/01/11	06/30/12	Portfolio Monitoring Assistance	\$235,000	Existing project, continued with new contract
Q2	Infrastructure & Forestland			12/12/11	03/31/12	Consulting Services - Review of Contract Terms	\$40,875	Best value (determined through bid request proposals)
						Subtotal	\$275,875	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Courtland Partners, Ltd. (Contract #2010-5558)	11/15/10	06/30/12	Funds Review (Amendment to Increase LOE from Q2 FY 10-11)	\$40,000	Lowest cost, provides similar services to other clients
Q1				07/01/11	01/31/12	Sector Plan Preparation	\$75,000	Only pool contractor with expertise to perform the work
Q1				07/01/11	06/30/12	Portfolio Monitoring Assistance	\$200,000	Existing project, continued with new contract
Q1				07/01/11	07/31/11	Annual Investment Plan Review	\$77,000	Best Value (Determined through bid request proposals)
Q1				07/01/11	01/31/12	Annual Investment Plan Review (Amendment to Increase LOE from Q1 FY 11-12)	\$73,000	Best Value (Determined through bid request proposals)
Q2				05/01/11	11/30/11	Consulting Services - Proposal Evaluation & Due Diligence (Amendment to Increase LOE from Q4 FY 10-11)	\$26,450	Specialized expertise - In technology based property type
Q2				05/01/11	01/31/12	Consulting Services - Proposal Evaluation & Due Diligence (Amendment to Increase LOE from Q4 FY 10-11)	\$50,000	Specialized expertise - In technology based property type
Q2				11/14/11	01/03/12	Consulting Services - Analysis of Potential Investment	\$37,000	Best Value (Determined through bid request proposals)
						Subtotal	\$578,450	

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Crosswater Realty Advisors, LLC (Contract #2010-5557)	07/01/10	06/30/11	Asset Transfer Services (Amendment to Increase LOE from Q1 FY 10-11)	\$70,750	Provides similar services to other clients/coverage overlap
Q1				07/01/11	06/30/12	Consulting Services - Evaluation and Portfolio Review	\$150,000	Only pool contractor with expertise to perform the work
Q1				07/01/11	06/30/12	Portfolio Monitoring Assistance	\$300,000	Existing knowledge of the investment or organization
Q1				07/18/11	12/31/11	Consulting Services - Program Research, Design & Development Assistance.	\$100,000	Existing knowledge of the investment or organization
Q2				07/18/11	12/31/11	Consulting Services - Program Research, Design & Development Assistance	\$25,000	Existing knowledge of the investment or organization
Q2				10/08/11	11/15/11	Consulting Services - Analysis of Additional Commitment	\$41,500	Existing knowledge of the investment or organization
Q2				10/08/11	03/31/12	Consulting Services - Analysis of Additional Commitment	\$25,000	Existing knowledge of the investment or organization
						Subtotal	\$712,250	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	JDM Associates, LLC. (Contract # 2010-5552)	07/01/11	07/31/12	Consulting Services - Environmental Goal Initiative	\$75,000	Existing project, continued with new contract
						Subtotal	\$75,000	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Le Plastrier (Contract #2010-5550)	07/01/11	06/30/12	Consulting Services - Oversight and Management	\$360,000	Existing project, continued with new contract
Q1				07/01/11	06/30/12	Consulting Services - Oversight and Management	\$360,000	Existing project, continued with new contract
Q1				07/01/11	06/30/12	Consulting Services - Oversight and General Monitoring	\$240,000	Existing project, continued with new contract
Q1				07/01/11	06/30/12	Consulting Services - Oversight and General Monitoring	\$150,000	Existing project, continued with new contract
Q1				07/01/11	06/30/12	Consulting Services - Evaluation and Portfolio Review	\$420,000	Existing project, continued with new contract
Q1				07/01/11	06/30/12	Consulting Services - Oversight and Management	\$894,000	Existing knowledge of the investment or organization
Q2				11/01/11	06/30/12	Consulting Services - Manager Monitoring	\$52,000	Existing knowledge of the investment or organization
						Subtotal	\$2,476,000	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	L P Capital Advisors (Contract # 2010-5548)	07/01/11	06/30/12	Portfolio Assistance	\$125,000	Existing knowledge of the investment or organization
Q1				07/01/11	06/30/12	Portfolio Assistance (Amendment to Increase LOE from Q1 FY 11-12)	\$50,000	Existing knowledge of the investment or organization
Q2				10/01/11	01/31/12	Consulting Services - Review of Opportunistic Portfolio	\$70,000	Experience with commingled funds and data base capabilities
Q2	PBSD			11/04/11	Upon completion	Contracts Operational and Process Improvements - Phase 1	\$522,000	Existing knowledge of the investment or organization
						Subtotal	\$767,000	

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Nichols Consulting (Contract #2010-5573)	12/15/10	01/31/12	Consulting Services - Annual Budgeting and Planning Initiative. (Amendment to Increase LOE from Q3 FY 10-11)	\$90,000	Experience with CalPERS business process
Q1				07/01/11	03/31/12	Consulting Services - PMG Procedures Manual	\$108,000	Existing knowledge of the investment or organization
Q2				07/01/11	12/31/12	Consulting Services - PMG Procedures Manual	\$60,000	Existing knowledge of the investment or organization
Q2				12/15/11	09/30/12	Consulting Services - Annual Budgeting and Planning Initiative	\$255,000	Existing knowledge of the investment or organization
Q2				12/15/11	11/30/12	Consulting Services - Quarterly and Annual Monitoring Process	\$135,000	Existing knowledge of the investment or organization
						Subtotal	\$648,000	
Q1	Real Estate	Real Estate Consulting Services Spring-Fed Pool	Pension Consulting Alliance, Inc. (Contract #2010-5571)	01/15/11	06/30/11	Consulting Services - Portfolio Advice and Research (Amendment to Increase LOE from Q4 FY 10-11)	\$10,000	Existing knowledge of the investment or organization
Q1				01/15/11	06/30/11	Strategic Plan Assistance & Development (Amendment to Increase LOE from Q4 FY 10-11)	\$25,000	Existing knowledge of the investment or organization
Q1				07/01/11	06/30/12	Program Review (Responsible Contractor Program Policy)	\$75,000	Existing project, continued with new contract
Q2				07/01/11	03/31/12	Asset Transfer Services	\$421,000	Existing project, continued with new contract
						Subtotal	\$531,000	
			Total Real Estate Con	nmitted Amoun			\$6,878,575	
		Gra	nd Total Spring-Fed Poo	l Consultant	s Committed An	nount	\$26,063,425	

Quarter	Program	Pool Name	Consultant	Start Date	End Date	LOE Description	Commitment	Selection Reason
Q2	Investment Servicing	IT Spring-Fed Pool	Enclipse	03/14/11	03/13/12	SQL Server Support (Amendment to Increase LOE from Q3 FY 10-11)	\$175,044	Existing project, continued with new contract
						Subtotal	\$175,044	
Q2	Investment Servicing	IT Spring-Fed Pool	Trinity Technology	04/01/11	03/31/12	Risk Management (Amendment to Increase LOE from Q4 FY 10-11)	\$208,953	Existing project, continued with new contract
						Subtotal	\$208,953	
Q2	Investment Servicing	IT Spring-Fed Pool	Cambria	10/17/11	09/28/12	AREIS Maintenance	\$952,540	Existing project, continued with new contract
						Subtotal	\$952,540	
Q1	Investment Servicing	IT Spring-Fed Pool	MK Partners	07/01/11	06/30/12	Management Support Services	\$157,500	Existing project, continued with new contract
						Subtotal	\$157,500	
Q1	Investment Servicing	IT Spring-Fed Pool	Propoint Technology	04/01/11	12/31/11	Public Markets Portfolio Management (Amendment to Increase LOE from Q4 FY 10-11)	\$96,000	Existing project, continued with new contract
Q2				12/05/11	12/31/12	Management Support Services	\$185,760	Existing project, continued with new contract
Q2				12/05/11	12/31/12	Project Management	\$201,240	Existing project, continued with new contract
Q2				03/07/11	12/31/11	Investment Office Program Coordinator (Amendment to Increase LOE from Q3 FY 10-11)	\$108,000	Experience with CalPERS business process
Q2				03/01/11	02/29/12	Global Equity Asset Allocation & Analytics Support Services (Amendment to Increase LOE from Q3 FY 10-11)	\$126,781	Existing project, continued with new contract
						Subtotal	\$717,781	
Q2	Investment Servicing	IT Spring-Fed Pool	Pyramid Technology	12/01/11	06/29/12	Project Management	\$124,800	Existing project, continued with new contract
Q2				12/12/11	12/31/12	Support Services for INVO Systems	\$204,336	Existing project, continued with new contract
						Subtotal	\$329,136	
			Total IT Commit				\$2,540,954	
		G	rand Total Investme	nt Office Co	mmitted Amo	unt	\$28,604,379	





Items Completed Under Delegated Authority (for the month of December 31, 2011)

Program Area	Name of Investment	Commitment	Complies with Delegation Number	Due Diligence Report Received From
Real Estate	AEW Senior Housing Company, LLC*	5,400,000	N/A	N/A
Real Estate	CalEast Canada Limited Partnership	11,100,000	11-01-INV	Courtland Partners, Ltd. and PCA
Real Estate	CalEast Industrial Investors, LLC	103,700,000	11-01-INV	Courtland Partners, Ltd. and PCA
Real Estate	CalEast Solstice, LLC	390,600,000	11-01-INV	Courtland Partners, Ltd. and PCA
Real Estate	CalWest Industrial Properties, LLC	50,900,000	11-01-INV	Courtland Partners, Ltd. and PCA
Real Estate	Fifth Street Properties, LLC	9,000,000	11-01-INV	Courtland Partners, Ltd.
Real Estate	Global Retail Investors, LLC	26,100,000	11-01-INV	Courtland Partners, Ltd.
Real Estate	Institutional Mall Investors, LLC	257,000,000	11-01-INV	Courtland Partners, Ltd.
Real Estate	National Office Partners, LLC (CWP)	121,000,000	11-01-INV	Courtland Partners, Ltd.
Real Estate	Western Multifamily, LLC (GID)	631,800,000	11-01-INV	Courtland Partners, Ltd.
AIM	Samson Investment Company	100,000,000	07-02	Houlihan Lokey
*Additional Commitme	ents to current investment			

Disclosure of Placement Agent Fees (for the month of November 30, 2011)

				REGISTE	RED		
					Secretary of	Estimated Placement	Transaction
Program Area	Firm Name	Fund	Placement Agent Firm	SEC/FINRA	State	Agent Compensation	Type
No Items to Report							

Investment Transactions Summary – Estimated Values (for the month of December 31, 2011)

			PERF - Public	: Markets						
	Public Equity	Public Equity REIT Income Inflation ARS Liquidi								
Beginning Market Value	109,185,251,547	1,323,963,049	40,548,776,359	7,302,041,632	5,262,001,580	7,025,801,105				
+ Purchases	2,006,987,091	11,609,304	4,259,387,256	1,517,485,103	-	6,038,664,100				
- Sales	(1,516,236,224)	(5,488,531)	(4,668,584,654)	(1,588,604,953)	(1,055,571)	(942,817,742)				
+/- Other Changes in MV	(952,848,591)	(77,154,385)	218,898,220	11,410,754	(22,532,187)	(2,675,455,769)				
Ending Market Value	108,723,153,822	1,252,929,438	40,358,477,182	7,242,332,537	5,238,413,822	9,446,191,695				

	P	ERF - Private Market	ts	
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	32,865,506,198	17,866,490,897	2,290,778,922	690,151,237
+ Contributions	662,277,486	427,480,879	-	6,873,696
- Distributions	(694,928,116)	(951,969,868)	(5,863,028)	(3,527,394)
+/- Other Changes in MV	(697,461,003)	232,614,947	8,418,872	16,732,776
Ending Market Value	32,135,394,564	17,574,616,856	2,293,334,765	710,230,315

	Total Public Markets	Total PERF Total Private Markets	Total PERF
Beginning Market Value	170,647,835,272	53,712,927,253	224,360,762,525
+ Contributions	13,834,132,855	1,096,632,062	14,930,764,916
- Distributions	(8,722,787,674)	(1,656,288,406)	(10,379,076,080)
+/- Other Changes in MV	(3,497,681,957)	(439,694,409)	(3,937,376,366)
Ending Market Value	172,261,498,495	52,713,576,500	224,975,074,995

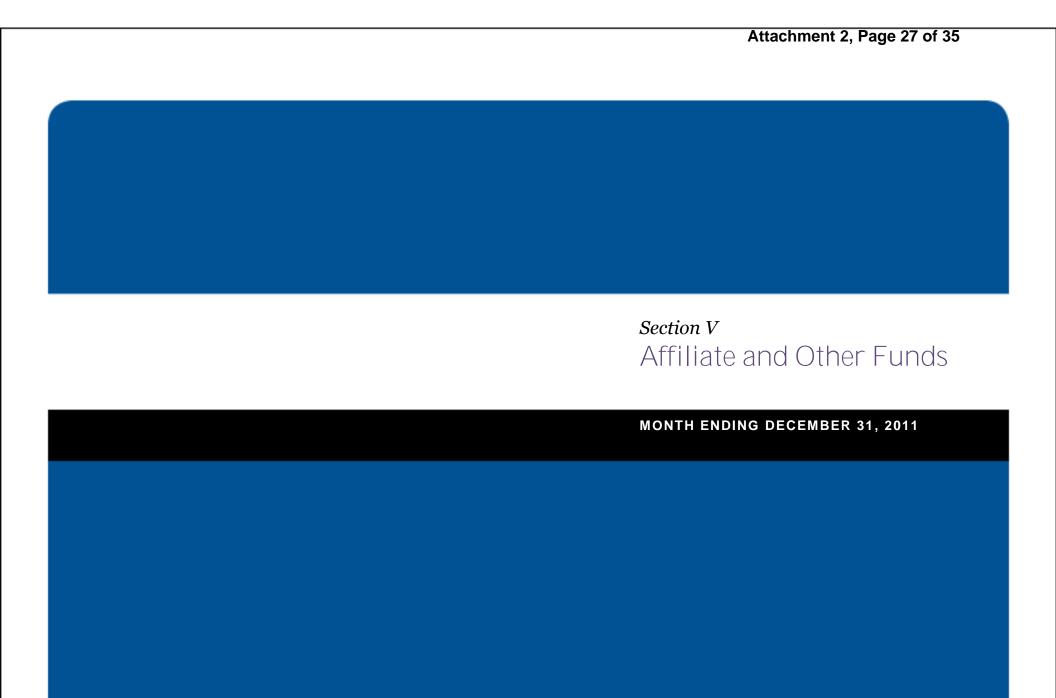
Note: Numbers will not tie exactly to the Asset Allocation/Performance buckets due to classification differences.

Investment Proposal Activity Summary (for the month of December 31, 2011)

		Private Asse	t Classes		Public Asset Classes					
	Alternative Investments	Forestland	orestland Infrastructure		ARS	Global Equities	Commodities	Global Fixed Income	Total	
Start of Month Proposals	33	0	48	53	12	4	12	10	172	
New Proposal During The Month	14	0	6	7	5	3	0	2	37	
Decisions During the Month	14	0	16	15	0	4	6	3	58	
End of Month Proposals	33	0	38	45	17	3	6	9	151	

Status Details

		Private Asse	t Classes			Public Ass	et Classes		
Status	Alternative Investments	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals									
Submitted	3	0	11	12	3	0	0	1	30
Screening	28	0	36	36	6	4	12	9	131
Due Diligence	2	0	1	5	3	0	0	0	11
Subtotal	33	0	48	53	12	4	12	10	172
No. 2									
New Proposals During the Month				_					
Subtotal	14	0	6	7	5	3	0	2	37
Decisions During the Month									
Committed	1	0	0	0	0	0	0	0	1
Declined	13	0	14	15	0	o o	6	3	51
Failed to Materialize	0	0	1	0	0	4	0	0	5
Referred	0	0	1	0	0	0	0	0	1
Subtotal	14	0	16	15	0	4	6	3	58
End of Month Proposals									
									-
Submitted	2	0	1	2	0	0	0	0	5
Screening	27	0	37	32	14	3	6	9	128
Due Diligence	33	0	38	11 45	3 17	<u>0</u>	0	0	18 151
Subtotal	33	0	38	45	1/	3	6	9	151



Asset Allocation (as of December 31, 2011)

	Ass	set Alloca	tion as of D	ecember	31, 201 ⁻	1			
	Global	Domestic	International	Domestic	TIPS	High	REITs	Commodities	Cash
	Equity	Equity	Equity	Fixed		Yield			
Defined Benefit Plans									
Legislators' Retirement System									
Target Ranges %	27-37%	N/A	N/A	37-47%	11-19%	N/A	6-10%	1-5%	N/A
Strategic Target %	32%			42%	15%		8%	3%	0%
Actual Investment %	32%			42%	15%		8%	3%	0%
Variance % (Strategic vs. Actual)	0%			(0%)	(0%)		0%	(0%)	0%
Judges' Il Retirement System									
Target Ranges %	58-68%	N/A	N/A	15-25%	4-8%	N/A	6-10%	1-5%	N/A
Strategic Target %	63%			20%	6%		8%	3%	0%
Actual Investment %	63%			20%	6%		8%	3%	0%
Variance % (Strategic vs. Actual)	0%			(0%)	(0%)		0%	0%	0%

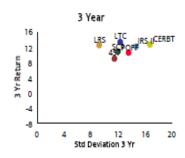
Allocation targets approved at the August 15, 2011 Investment Committee meeting.

	Ass	et Alloca	tion as of Do	ecember	31, 201 ⁻	1			
	Global Equity	Domestic Equity	International Equity	Domestic Fixed	TIPS	High Yield	REITs	Commodities	Cash
Health and Other Post-Employme	ent Benefit T	rusts							
Long-Term Care Fund									
Target Ranges %	N/A	20-30%	14-24%	25-35%	11-19%	N/A	6-10%	1-5%	N/A
Strategic Target %		25%	19%	30%	15%	0%	8%	3%	
Actual Investment %		25%	19%	29%	15%	1%	8%	3%	
Variance % (Strategic vs. Actual)		0%	0%	(1%)	(0%)	1%	(0%)	(0%)	
CERBT Strategy 1									
Target Ranges %	N/A	30-40%	26-36%	13-23%	3-7%	N/A	6-10%	1-5%	N/A
Strategic Target %		35%	31%	18%	5%	0%	8%	3%	0%
Actual Investment %		35%	31%	18%	5%	0%	8%	3%	0%
Variance % (Strategic vs. Actual)		0%	0%	(0%)	(0%)	0%	0%	(0%)	0%
CERBT Strategy 2									
Target Ranges %	N/A	15-25%	25-35%	19-29%	11-19%	N/A	6-10%	1-5%	N/A
Strategic Target %		20%	30%	24%	15%		8%	3%	0%
Actual Investment %		20%	30%	24%	15%		8%	3%	0%
Variance % (Strategic vs. Actual)		0%	0%	(0%)	(0%)		0%	(0%)	0%
CERBT Strategy 3									
Target Ranges %	N/A	7.8-17.8%	14.2-24.2%	37-47%	11-19%	N/A	6-10%	1-5%	N/A
Strategic Target %		13%	19%	42%	15%		8%	3%	0%
Actual Investment %		13%	19%	42%	15%		8%	3%	0%
Variance % (Strategic vs. Actual)		0%	0%	(0%)	(0%)		0%	(0%)	0%

Allocation targets approved at the August 15, 2011 Investment Committee meeting.

Risk Profile (for the month of December 31, 2011)

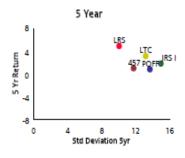
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.37	0.99	0.37
CERBT TRUST COMPOSITE	-0.06	0.82	-0.07
457 AGGREGATE	-0.39	0.71	-0.56
JUDGES' RETIREMENT SYSTEM II FUND	0.33	1.02	0.32
BALANCED GROWTH - POFF	-1.35	0.90	-1.50
LEGISLATORS' RETIREMENT SYSTEM FUND	1.10	1.59	0.69
SCP AGGREGATE	-1.48	0.74	-2.00

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	-0.12	1.04	-0.11
CERBT TRUST COMPOSITE			
457 AGGREGATE	-0.57	0.79	-0.72
JUDGES' RETIREMENT SYSTEM II FUND	-0.28	1.06	-0.26
BALANCED GROWTH - POFF	-1.17	1.02	-1.14
LEGISLATORS' RETIREMENT SYSTEM FUND	0.06	1.65	0.03
SCP AGGREGATE			

Excess Return - The difference between the portfolio return and the index return for the given period

Tracking Error - Standard deviation of the Excess Return

Information Ratio - Excess Return divided by the Tracking Error

The information ratio is used to measure risk adjusted returns; industry practice suggests that below 0.15 is considered low, between 0.15 and 0.25 is medium, and above 0.35 is high.

Net Performance Summary (for the month December 31 2011)

		1 Month		FY	TD	1	Yr	3	Yr	5 Yr		10 Yr	
DEFINED BENEFIT PLANS	Ending Market Value (\$millions)	Rate of	Excess Return in Bps		Excess Return in Bps	Rate of	Excess Return in Bps		Excess Return in Bps	7 7 7 7	Excess Return in Bps	Fund Rate of Return	
JUDGES RETIREMENT FUND	56	0.0	0	0.0	0	0.1	3	0.3	19	1.7	26	2.1	16
JUDGES RETIREMENT SYSTEM II FUND	575	0.1	(9)	(3.9)	(89)	1.0	(82)	12.0	33	1.7	(27)	5.0	(14)
LEGISLATOR'S RETIREMENT SYSTEM FUND	120	0.7	(14)	0.8	(114)	5.8	(102)	12.4	110	4.8	6	5.8	(29)
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS		1 M	onth	FY	TD.	1	Yr	3	Yr	5	Yr	10	Yr
CALPERS SUPPLEMENTAL INCOME 457 PLAN	889	0.1	(19)	(4.9)	(85)	(0.9)	(115)	8.9	(40)	0.9	(57)	3.1	
SUPPLEMENTAL CONTRIBUTIONS PLAN	18	0.1	(22)	(4.9)	(105)	(0.6)	(125)	10.7	(148)				
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	457	0.1	(27)	(5.3)	(125)	(1.0)	(147)	10.4	(135)	0.7	(117)	3.5	(107)
HEALTH AND OTHER POST-EMPLOYMENT								_					
BENEFIT FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) STRATEGY 1 FUND	1,816	0.4	(8)	(5.8)	(41)	(0.7)	(36)	12.6	(6)				
CALPERS HEALTH CARE BOND FUND	473	1.2	10	4.1	(92)	7.2	,	8.1	129				
LONG TERM CARE FUND	3,253	0.7	(10)	(2.6)	(73)	2.5	(59)	13.2	37	3.0	(12)	5.3	5
RESERVE FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	1	0.1	4	0.3	19	1.7	26	2.1	16
SECURITES LENDING COLLATERAL		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
SECURITES LENDING COLLATERAL REINVESTMENT POOLS	9,200	0.1	9	0.23	19	2.0	186	3.66	352	1.51	7	2.10	11

Gross Performance Summary (for the month December 31, 2011)

		1 M	1 Month		1 Month FYTD		TD	1 Yr		3 Yr		5 Yr		10 Yr	
DEFINED BENEFIT PLANS	Ending Market Value (\$millions)	Fund Rate of Return	Excess Return in Bps		Excess Return in Bps	Rate of	Excess Return in Bps	Fund Rate of Return		Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps		
JUDGES RETIREMENT FUND	56	0.0	0	0.0	0	0.1	3	0.3	19	1.7	26	2.1	16		
JUDGES RETIREMENT SYSTEM II FUND	575	0.1	(9)	(3.9)	(89)	1.0	(82)	12.0	33	1.7	(27)	5.0	(14)		
LEGISLATOR'S RETIREMENT SYSTEM FUN	120	0.7	(14)	0.8	(114)	5.8	(102)	12.4	110	4.8	6	5.8	(29)		
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS		1 M	onth	FY	TD.	1	Yr	3	Yr	5	Yr	10	Yr		
CALPERS SUPPLEMENTAL INCOME 457 PLAN	889	0.2	(14)	(4.6)	(59)	(0.4)	(60)	9.4	16						
SUPPLEMENTAL CONTRIBUTIONS PLAN	18	0.1	(18)	(4.7)	(82)	(0.1)	(77)	11.2							
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	457	0.1	(22)	(5.0)	(96)	(0.4)	(92)	11.1	(33)	1.5	(37)	4.3	(33)		
HEALTH AND OTHER POST- EMPLOYMENT BENEFIT FUNDS		1 M	onth	FY	TD.	1	Yr	3	Yr	5	Yr	10	Yr		
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) STRATEGY 1 FUND	1,816	0.4	(8)	(5.8)	(41)	(0.7)	(36)	12.6	(6)						
CALPERS HEALTH CARE BOND FUND	473	1.2	10	4.1	(92)	7.2	(64)	8.1							
LONG TERM CARE FUND	3,253	0.7	(10)	(2.6)	(73)	2.5	(59)	13.2	5	0.0	(12)	5.3	5		
RESERVE FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr		
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	1	0.1	4	0.3	16	1.7	26	2.1	16		

Policy Violations and Significant Events

Material Exceptions to Policy

No material exceptions to report for the period.

Significant Events

No significant events to report for the period.

Investment Transactions Summary – Estimated Values (for the month of December 31, 2011)

	CERBT Strategy 1 Fund	Health Care Bond Fund	Judges Retirement Fund	Judges Retirement System II Fund	Legislator's Retirement System Fund	Long Term Care Fund	Contingency Reserve Fund	
Beginning Market Value	1,797,259,785	467,278,818	50,865,598	568,227,507	119,895,956	3,222,993,374	6,110,661	
+ Purchases	48,148,859	-	5,000,000	13,800,000	1,979,000	65,890,000	-	
- Sales	(58,373,455)	-	(1,122)	(5,600,035)	(2,638,002)	(114,965,027)	(135)	
+/- Change in MV	16,498,052	5,621,501	0	(1,825,332)	357,421	79,516,379	(0)	
Ending Market Value	1,803,533,242	472,900,319	55,864,476	574,602,140	119,594,375	3,253,434,726	6,110,526	



CalPERS Investment Office Investment Servicing Division 400 Q Street Sacramento, CA. 95814